Section 4 is amended to include specifically an exemption for certain professional markets whose participants are recognized under current law. These appropriate persons are described in sec. 4(c)(3) of the CEAct and include futures commission merchants, floor brokers, and floor traders. In light of the exemptions afforded other professional traders by the 1992 FTPA, I believe this language is consistent with congressional intent in this area.

Sections 103 and 104 of the bill enhance the self-regulation of exchange institutions by providing simplified and streamlined contract market designation and rule submission procedures. These are necessary in my view to maintain the competitiveness of our commodity exchanges in a world that has come to understand the importance of risk management on exchanges with sound, but limited, regulatory programs.

These amendments presume a commodity exchange develops sound contracts with economic purposes that are widely recognized and will be used by commercial and speculative interests for price discovery and risk-shifting that have long been viewed in this country and by the Congress as beneficial to our Nation's economy.

Section 105 of the bill seeks to improve commodity exchange audit trails without impairing the functions of the markets. Audit trail issues date from the establishment of the CFTC but have been actively debated in the CFTC's regulatory programs since 1986, when the CFTC proposed a 1-minute, verifiable standard.

Understanding that each commodity exchange has different trade customs and systems unique to each institution means there are numerous ways to obtain adequate, verifiable audit trails. These trade recordation systems have changed dramatically over the years, and U.S. commodity exchanges constantly are improving and upgrading their audit trail systems. The amendment seeks to develop standards that are objective and reasonable.

Section 106 of the legislation provides benefit-cost analysis to the CFTC's regulatory program. Regulation under Republican administrations and new law under this Republican Congress has moved us further in that direction. There is no reason we cannot bring similar sound, reasonable, and fair regulation to our commodity exchanges and preserve the public interest.

Finally, section 107 is a housekeeping matter of interest to the Committee on Agriculture. An objective of the committee during the reform of U.S. agriculture embodied in the Federal Agriculture Improvement and Reform Act of 1996 [FAIR Act] was to use fewer words. The FAIR Act is literally one-half the volume of the 1990 farm bill. With that in mind—and there may be further improvements later—section 107 repeals section 8e dealing with CFTC oversight and deficiency orders. It is my understanding that after the nearly 4 years this section has been law it has never been used. That makes it unnecessary in my view.

I look forward to comments on the legislation and working with interested parties as we proceed with this necessary reform in the 105th Congress.

GAMBLING CREDIT REFORM ACT

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 1, 1996

Mr. LAFALCE. Mr. Speaker, I am today introducing legislation to protect consumers, financial institutions, and taxpayers from the unwarranted use of credit cards for gambling. My legislation the Gambling Credit Reform Act, would prohibit the extension of credit under any open-end consumer credit plan where a creditor knows or has reason to believe that such credit will be used to make a bet or wager, or to play any game of chance in a casino or other gambling establishment.

I was appalled to read recently that the New Jersey Casino Control Commission had approved the use of credit cards for the purchase of playing chips and slot tokens in casinos at Atlantic City. This means that gamblers who run out of cash can obtain more playing chips or tokens with the wave of their hand without even leaving a playing table. Gambling industry experts see this as one of the ''most potentially dramatic'' changes in gambling in years and one that will result in more impulse gambling and higher revenues for casinos.

The use of credit cards directly to make bets or wagers has never been permitted in this country and with good reason. Allowing gamblers to use credit cards to obtain more chips without leaving a gambling table removes one of the last remaining checks on compulsive or problem gambling—the need to walk away to find more cash to gamble. Permitting the use of credit cards will make it significantly easier for problem gamblers not only to bet all their disposable income, but to tap into available credit lines on one or more credit cards.

This is particularly troubling at a time when our Nation's financial institutions, and credit card banks in particular, are threatened with unprecedented levels of consumer debt and personal bankruptcies. Consumer debt has increased at double-digit rates since 1994 while personal incomes have stagnated. Accumulated consumer debt is now estimated at nearly 85 percent of the Nation's disposable income. Consumer debt service is at a near-record level of 17 percent of disposable income and loan delinquencies are at record levels.

With consumer debt continuing to grow nearly three times faster than income, it is no surprise that a record number of American families will declare bankruptcy this year. If current trends continue, more than 1 million families—or 1 percent of all U.S. households—will file for bankruptcy this year. This represents a 26-percent increase over 1995 and a bankruptcy filing rate equal to one bankruptcy filing every 2 minutes throughout the year.

By almost every account, the primary contributor to these problems has been what Federal Reserve Chairman Alan Greenspan described as the ''extraordinary rise'' in credit card issuances and debt. Outstanding credit card debt increased 16 percent in 1995, to a total debt of $454 billion. However, a far greater potential problem comes from the vast, still untapped credit lines already granted to consumers on existing credit cards. Available credit lines increased by 30 percent in 1995, providing consumers with an additional potential debt of $1.1 trillion.

It is clear that existing credit card balances are already becoming too much for consumers to handle. More people are late in making their credit card payments than at any time in the past 15 years. And the American Bankers Association reported in mid-September that credit card delinquencies had reached the highest level on record.

Allowing gamblers to use credit cards directly for gambling will only exacerbate these trends. It will lead to greater financial strain and anguish for many American families, increase credit delinquencies and losses at financial institutions, and contribute to potential losses to our deposit insurance system that, conceivably, would have to be covered by taxpayers.

No responsible financial institution would grant a loan to an individual for the purpose of going to Atlantic City to gamble. But this is exactly what we are condoning and encouraging with the use of credit cards. It accentuates the already serious problems of consumer debt and rising bankruptcies and it presents additional and unwarranted risks for financial institutions. My bill will stop these developments before they spread to all forms of gambling throughout the country.

Mr. Speaker, I recognize that there is little chance that this legislation can be considered this year. My purpose in introducing the bill is to give notice that there are Members of the Congress who consider this misuse of credit cards to be unacceptable. I intend to refine this legislation and reintroduce a similar proposal early next year and I hope that, upon its return, the Congress will consider this legislation and enact it into law promptly.

VETERANS' BENEFITS IMPROVEMENTS ACT OF 1996

HON. TERRY EVERETT

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 1, 1996

Mr. EVERETT. Mr. Speaker, I rise today in support of the Veterans' Benefits Improvements Act of 1996. This House-Senate compromise bill contains program improvements for several veterans benefits, and these provisions will make a difference in the lives of thousands of veterans and their survivors. It is a bipartisan bill and I thank all the Members on both sides of the aisle and both sides of the Chamber for their support.

Section 211 would amend the statute governing burial eligibility to incorporate the regulatory definition of ''minor child.''

Section 212 would provide burial benefits for approximately 300 of the 2,500 veterans who die in State nursing homes yearly, but do not qualify for priority care in Veterans Health Administration facilities.

Section 213 would authorize VA to issue a voucher equal to the average cost of a grave liner to survivors who elect a burial vault other than the national cemetery system's provided grave liner.

Title four makes change to the administrative functions within the VA Life Insurance Program. Provisions include merging the Retired Reserve Servicemembers' Group Life Insurance and Veterans' Group Life Insurance